

ADMINISTRATION AND FINANCE COMMITTEE

DATE: August 29, 2006

CALLED TO ORDER: 5:08 p.m.

ADJOURNED: 6:52 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Paul Bateman
Vernon Brown
Becky Langsford
Lynn McWhirter
Jackie Nytes
Lincoln Plowman

Absent Members

None

AGENDA

PROPOSAL NO. 452, 2006 - approves a transfer of \$4,000 in the 2006 Budget of the Marion County Treasurer (County General Fund) to purchase a currency scanner to ensure counterfeit bills are not accepted during tax collections
"Do Pass" Vote 5 -0

PROPOSAL NO. 453, 2006 - approves a transfer of \$11,000 in the 2006 Budget of the Washington Township Assessor (County General Fund) to contract for appraisal services
"Do Pass" Vote 5 -0

PROPOSAL NO. 454, 2006 - determines the need to lease approximately 32,000 square feet of space at 3821 Industrial Boulevard for use by the Indianapolis Metropolitan Police Department for its Northwest District Headquarters and Special Operations
"Do Pass" Vote 5 -0

BUDGET HEARING

Information Services Agency/CIO's office
County Assessor
Center Township Assessor
Decatur Township Assessor
Franklin Township Assessor
Lawrence Township Assessor
Perry Township Assessor
Pike Township Assessor
Warren Township Assessor
Washington Township Assessor

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, August 29, 2006. Chair Joanne Sanders called the meeting to order at 5:08 p.m. with the following members present: Paul Bateman, Vernon Brown, Lynn McWhirter, and Lincoln Plowman. Jackie Nytes and Becky Langsford arrived thereafter. Bart Brown represented Council staff.

PROPOSAL NO. 452, 2006 - approves a transfer of \$4,000 in the 2006 Budget of the Marion County Treasurer (County General Fund) to purchase a currency scanner to ensure counterfeit bills are not accepted during tax collections.

Chair Sanders asked if a representative from the Treasurers Office was in attendance. Kim Diller, Office of Finance and Management Budget Director, stated that she would explain the proposal since no one from the Treasurers Office was at the meeting. She said the Treasurer's office collects money on both the 1st and 10th floors during tax collection season, but only has one currency machine to detect counterfeit money. The Treasurer's Office would like to purchase an additional machine to be more efficient in counterfeit detection. She said the \$4,000 is available in Character 4 of the Treasurer's budget and needs approval to transfer the money to Character 3 for the purchase.

Councillor Brown wanted clarification that the money would be an internal transfer and not from the general fund. Ms. Diller stated in the affirmative.

Councillor Plowman asked how many counterfeit bills are found. Ms. Diller said she is not sure, but the Treasurer's report stated there are more due to the ease of computer scanning and printing. Chair Sanders stated that most of counterfeit bills are \$50.00 denominations.

Chair Sanders asked for public input or additional comments, none were offered.

Councillor Brown moved, seconded by Councillor Plowman to send Proposal No. 452, 2006 to the full council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 453, 2006 - approves a transfer of \$11,000 in the 2006 Budget of the Washington Township Assessor (County General Fund) to contract for appraisal services.

Joline Ohmart, Washington Township Assessor, stated that the Sheraton Hotel property is currently assessed at \$46 million, but is being appealed for \$25 million. She said that the appeal is currently in a format that is no longer respected by appraisal groups. She stated the Assessors office needs to hire an appraisal service to reassess the property in order for the assessment to be in keeping with a more acceptable format. More likely, the new assessment will also be closer to the \$46 million for that property.

Councillor McWhirter asked why their office could not assess the property themselves instead of using an outside party. Ms. Ohmart stated that it would take an appraiser a month to complete. Councillor McWhirter asked if there is currently a contract with an appraiser. Ms. Ohmart said there would be a contract once this proposal is approved. Councillor McWhirter asked if the

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outside appraiser would charge them the full \$11,000. Ms Ohmart said the contract price is \$7,600 with an allowance for expenses, such as testifying. She said the Washington Township Assessor's office plans to refund any unused money to the general fund.

Chair Sanders asked for public input or additional comments, none were offered.

Councillor Brown moved, seconded by Councillor Bateman to send Proposal No. 453, 2006 to the full council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 454, 2006 - determines the need to lease approximately 32,000 square feet of space at 3821 Industrial Boulevard for use by the Indianapolis Metropolitan Police Department for its Northwest District Headquarters and Special Operations.

Suzannah Overholt, Office of Finance and Management Transition Director, and Deputy Chief Cliff Myers, Indianapolis Police Department, distributed a handout to the committee detailing the need for the proposal and the location of the proposed district. [Clerk's note: A copy of Exhibit A is on file in the Council Office with the original set of minutes.] Ms. Overholt stated that once the Law Enforcement Steering Committee identified the need for a new northwest district headquarters, she became involved in actively finding a location. She said the property is located near the intersections of 38th Street, Interstate 65, and Park 65 and is the most promising site at the lowest price. She added that the City does not currently own property in the northwest district that is adequate for the needs of the police department. She stated that according to Indiana Code 36-1-10-7, the Council is required to find the lease necessary before it may be entered into.

Deputy Chief Myers said the Law Enforcement Steering Committee recognized the need for a facility in the northwest district and that there was no building in place to house about 150 officers. He said this location is ideal because it is centrally located, has a large space for district headquarters and special operations units, including SWAT, SCUBA, Bomb Squad, etc. He added that all these teams have high priced vehicles that are currently stored outdoors or outside the central city. He said that the location used to be a racing facility and it is fenced and has ample room for vehicles, visitor reception area, detective offices, meeting rooms, and parking.

Councillor McWhirter wanted clarification that the Council would be approving the ability to negotiate the terms of the lease, but not the lease itself. Chair Sanders stated in the affirmative. Ms. Overholt stated that the statute cites the Council's role is to agree that there is a need for the lease, but the Administrative Board reviews and approves the lease. Mr. Bart Brown clarified that the Council also has a role in appropriations for the lease and clarified that Councillor McWhirter was asking for the anticipated cost of the lease. Councillor McWhirter agreed with Mr. Brown. Ms. Overholt stated that the rate discussed with the landlord is \$8.00 per square foot for a 15-year term, including utilities, operating expenses, and a build-out. She added that for the first three months of the lease terms, the city would only pay \$339 per square foot for the operating expenses. She said the lease rate would be \$256,000 per year for all 32,000 square feet.

Councillor McWhirter asked if each district has a headquarters. Ms. Overholt stated that each district has existing facilities except northwest. Ms. Overholt and Deputy Chief Myers listed the locations of headquarters for each district as follows:

- Southeast District – 1150 S. Shelby St. (current south district headquarters)
- Southwest District – 551 N. King Avenue (current west district headquarters)
- Northeast District – 3120 E. 30th Street (current east district headquarters)
- North District – 4209 N. College Ave. (current north district headquarters)
- Downtown District – 25 W.9th St. (current downtown district headquarters)

Councillor Bateman said that he is familiar with the northwest area and thinks the building is an appropriate choice.

Councillor Plowman asked how many district headquarters are currently leased. Ms. Overholt stated that all of the facilities are owned except downtown. The downtown district is City County owned but there are leases with the Building Authority for operations and maintenance.

Councillor Brown asked if leasing the building was cheaper than purchasing the building. Ms. Overholt stated that it is not cheaper, but there is not enough cash in the budget to purchase it. Bob Clifford, Office of Finance and Management Controller, said that the most expeditious way to accomplish the goal of a new headquarters by January 1st was to lease this existing building rather than buy it and construct the new section. He added that \$8.00 per square foot is a remarkable rate and the lease does contain a purchase option for the entire term of the lease.

Councillor McWhirter asked if there were any plans to place or move headquarters out to the townships. Deputy Chief Myers stated that the steering committee is looking at placing ‘outposts’ in the townships, but there is a police presence at places such as Washington Square Mall, Pike Township, and Perry Township. He added that due to cost constraints it was decided to use as many of the existing facilities as possible. Ms. Overholt stated that in order to meet the January 1st deadline, this plan would be ideal, but additional headquarters or relocating headquarters would be considered for the future.

Chair Sanders asked for public input or additional comments, none were offered.

Councillor Bateman moved, seconded by Councillor Brown to send Proposal No. 454, 2006 to the full council with a “Do Pass” recommendation. The motion carried by a vote of 5-0.

[Clerk’s Note: Councillor Nytes arrived 5:30 PM.]

BUDGET HEARING

Information Services Agency/CIO’s Office

Shital Patel, Information Services Agency (ISA) Chief Information Officer, distributed a handout to the committee detailing a slide presentation and proposed 2007 budget. [Clerk’s note: A copy of Exhibit B is on file in the Council Office with the original set of minutes.] The following

were also in attendance for ISA: Jason Buchanan, Chief Financial Officer, David Grigsby, Chief Technology Officer, Chuck Carufel, GIS Manager, Kevin Ortell, Chief Customer Officer, and Wayne Praeder, Program Manager Northrop Grumman.

[Councillor Brown left 5:34 PM.]

Ms. Patel stated that ISA supports 7,000 customers in 50 department agencies at 126 locations. She said most Information Technology (IT) departments in the private sector comprise 10-15% of a company's budget, but ISA is only 5-7% of the City-County budget. She listed ISA's accomplishments as follows:

- Improving IT infrastructure through migration
 - ❑ Microsoft XP SP2 Safest operating system yet
 - ❑ Applications and versions on par with private sector
 - ❑ Upgrade to Microsoft Office 2003
 - ❑ Migration from GroupWise Email to Outlook Email – includes training
 - ❑ Home Use program for at home training for employees
- Implemented private network development for internal testing before launching new applications without impact to customers
- Implemented Avaya voice infrastructure which includes redundancy for disaster recovery
- Partnered with DPW to implement automated vehicle locators for DPW equipment tracking
- Implemented Remote Desktop which gives employees the ability to work offsite
- JUSTIS.NET allows better constituent tracking and integrates with Outlook calendar
- Automated Mapping Engine – create quality maps without expensive Geospatial Information Services (GIS) software
- Partnered with the Mayor's Office for MyNeighborhood Portal project for constituents
 - ❑ displays demographic, political, economic, social, and academic data by area

[Clerk's Note: Councillor Langsford arrived 5:38 PM]

Ms. Patel listed the 2007 goals for ISA as follows:

- IMPD & Sheriff Consolidation – infrastructure for office and communications
- IFD & Washington Twp Fire Department Consolidation - infrastructure for office and communications
- IPD camera project – infrastructure to increase security surveillance in high risk areas using Liberty Shield Grant
- Indiana Intelligence Fusion Center – information collection and analysis with various agencies
- Continued enhancements to JUSTIS.NET
- WIFI initiative – various wireless projects

Ms. Patel stated the new voice mail system, Accela Automation, and Property System were originally requested in the 2007 budget but have been removed. Mr. Clifford said the Accela Automation system would be paid for with permit fees if the Council passes a fiscal proposal and ISA is still looking for ways to fund the new voicemail system. He said that Paul Ricketts,

Lawrence Assessor, would discuss the Property System financing plan that does not require money from the general fund during his presentation.

Mr. Buchanan gave an overview of the 2007 proposed budget. He said character one has an increase of \$36,000, character two has a decrease of \$35,000, character three has an increase of \$190,000, and character four has a decrease of \$21,000 for an overall increase of \$170,000. He stated that character one increased due to higher insurance premiums, character two decreased because the cost of phone services are passed on to the customer, and character three increased because of the Microsoft software and wireless initiative. He said that the IT projected revenues are \$13,673,810 from the City, \$12,792,814 from the County, and \$200,745 from other agencies. He said telephone projected revenues are \$794,472 from the City, \$626,410 from the County, and \$106,948 from other agencies for a total revenue of \$28,195,199.

Councillor McWhirter asked for clarification about the telephone revenues. Ms. Patel stated that ISA bills agencies for telephone support and that is why it is separated out from other IT revenue. Councillor McWhirter asked if ISA determines billing by an agency's headcount. Ms. Patel stated that the Office of Finance and Management decided it would be less confusing to bill by headcount, because ISA does not have a current asset count. She added that ISA might return to billing based on assets next year, after the inventory is completed this year.

Councillor Nytes asked for clarification of the difference between MyNeighborhood and SAVI information. Mr. Carufel stated that the application will work in two phases, some SAVI data will be integrated next year. Councillor Nytes asked if it would recreate the SAVI Data. Mr. Carufel stated that it would not, but it would be a way to access some of the data. Councillor Nytes asked who was asking for the MyNeighborhood system. Mr. Carufel stated that the Department of Metropolitan Development and the Mayors Office were asking for this. He added that ISA is currently upgrading GIS applications and trying to combine data into one application. Councillor Nytes asked if ISA was working with other community organizations, such as the library, on MyNeighborhood. Mr. Carufel stated that ISA is still in the design phase and hoped to have a preliminary phase in December, but the system will show the nearest library branch and will have a link to the Library website.

Councillor Nytes asked if the wireless internet plan would be for staff use in the City-County Building or for public access. Ms. Patel stated that ISA is bringing a vendor in to help them assess what would be needed for public access, City-County Building, Public Safety, Department of Public Works and Department of Metropolitan Development. Councillor Nytes asked if ISA was involved in wireless development for other public spaces, such as the airport. Ms. Patel stated in the negative. Mr. Clifford stated that the Indianapolis Airport Authority may be putting wireless internet in the new terminal. He said that the Capital Improvements Board offers wireless on their own at the Convention Center.

Councillor Plowman asked who is supporting the Fusion Center. Ms. Patel stated that it is funded through Indiana Homeland Security. Councillor Plowman asked if ISA was the sole support for the project. Mr. Grigsby stated that ISA funnels the grant money for the State. The State has to give the money to an organization that is supporting that area, ISA is responsible for

helping IPD acquire the equipment and make it operational, but IPD is maintaining and supporting the equipment. Councillor Plowman asked if ISA was discarding the 231 phone exchange and replacing it with the 327 phone exchange. Ms. Patel stated that ISA was asked to look at the possibility of doing that. Councillor Plowman asked if putting everyone on the same exchange would save money. Mr. Clifford stated that Major Meadows, IPD, made the suggestion to the transition committee and the Sheriff's office determined it would be a savings of \$80,000. Councillor McWhirter asked how changing an exchange saves \$80,000. Ms. Patel said that IPD had a separate contract from ISA. ISA contracts have lower fees, saving money.

Chair Sanders asked what is the current ISA fund balance and what is proposed for 2007. Jeff Seidenstein, Budget Manager, Office of Finance and Management, stated that at the end of 2007, ISA expects the balance to be \$83,000. He said that ISA is drawing down the fund balance to mitigate the problems in the general fund.

County Assessor (Assessor 1-4, City Budget Book)

Patsy Sharpe, Marion County Assessor Chief Deputy, and Virginia Frances, Marion County Assessor Fiscal Administrator, distributed a replacement section for the Assessor section for the City Budget Book to the committee. [Clerk's note: A copy of Exhibit C is on file in the Council Office with the original set of minutes.] [Chair's note: County Assessor Joan Romeril did not attend hearing.]

Ms. Frances stated the County Assessor decreased salaries in Character 1 by \$31,000 and decreased Capital in Character 4 by \$9,500.

Chair Sanders asked about the increase in Character 4, capital equipment of \$12,000. Ms. Frances stated that the \$12,000 was moved from Character 3 in anticipation of buying new equipment, such as computers. She added that ISA has now initiated a program to update computers every four years and that money may be needed for computer peripherals and items for new staff. Chair Sanders asked about the increase in Character 3, printing services. Ms. Frances stated that the State has changed the forms used for appeals, exemptions, etc. She added that the Assessors office must update the forms, so money was moved from another area in anticipation of those changes. Ms. Sharpe stated that the township Assessors are sending out new assessment notices based on the new trending requirements and based on these new assessments, the Marion County Assessor is anticipating mailing three times the amount of appeal letters and hearing notices.

Councillor Nytes asked how many appeals are still on backlog. Ms. Sharpe stated that from the last reassessment in 2002, the appeals are 93.65% completed and there are about 500 commercial properties in the inner city that are now the main focus. Councillor Nytes asked if a list of those outstanding appeals, by name, could be given to the Council. Ms. Sharpe answered in the affirmative. Councillor Nytes asked if the Assessors had a strategy to get through the upcoming trending appeals if they are anticipated to triple. Ms. Sharpe stated that she does not anticipate a tripling of appeals from 2002, but from an off-year number, which would be around 2,500 – 3,000 appeals expected this year. Councillor Nytes stated that the budget does not contain any new staffing and asked how the office expected to get through the additional amount of appeals.

Ms. Sharpe said that funding does not allow for new personnel and they hope to get through the appeals using dedicated staff. She said that by statute residential property appeals must first go through the township assessor, which expedites the process.

Chair Sanders stated the total budget increases by 16.7% and asked where in the budget is the increase. Ms. Diller stated that most of the increase is due to ISA charges, but some is due to an increase in rent, health insurance premiums, and other things out of the Assessor's control.

Councillor McWhirter asked if this is the budget that was worked out with the Controller. Ms. Frances said \$31,000 in salaries and \$3,000 in Character 4 was cut from the original budget. She added that the budget included 4 additional full time equivalents (FTE). Ms. Diller stated that all the Assessors made adjustments to their budgets.

Township Assessors

Paul Ricketts, Lawrence Assessor, presented the 2007 budget proposals for all the townships.

Ms. Diller stated that there are two corrections in the handout, (Exhibit C), Lawrence Township regular salaries, character 1, should be \$567,250 and Perry Township regular salaries, character 1, should be \$578,012. Chair Sanders asked if those changes affect health, pension, and Social Security. Ms. Diller stated in the negative.

Mr. Ricketts stated due to reassessment, the assessors spent more than their revenues last year, because the State reduced the tax levy by \$300,000 per year for two years. He said all the Assessors worked with the Controller to work within the budget. He said trending is a new undertaking for Assessors' offices and the budget could include underspending because there is no plan to hire fee appraisers. He added that there are some funds set aside in the Lawrence budget for all the townships if an appraiser needs to be hired.

Chair Sanders asked how much would be left in the reassessment fund balance after adjustments are made. Ms. Diller stated the balance would be zero. Chair Sanders asked if the new property assessment system would be in the budgets. Mr. Ricketts stated that other county budgets have funds in line items that can be used for this. Chair Sanders asked in which line items are the funds. Mr. Ricketts said some is in the Auditor's endorsement fees, Recorder's perpetuation fees, and disclosure fees, if appropriated.

[Clerk's Note: Councillor Brown arrived 6:20]

Chair Sanders asked if there was a contract for the property assessment system in place. Mr. Ricketts stated there is an agreement, but the details of the contract have not been completed. He said a bond is currently being worked on to guarantee the performance, and the details may be worked out within 7 – 10 days. He added that the Assessors need this system, it is the only system that is integrated and Marion is the only county that is integrated with the Auditor, Treasurer, and Assessor. It is also the only system that will allow DPW and DMD to plug into the system and will integrate the GIS system. Mr. Brown asked if the system is compliant with

Administrative Code 50-23. Mr. Ricketts stated that it has not yet been presented to the Department of Local Government Finance (DLGF), but compliance and DLGF certification is part of the agreement before payment is rendered. He said that 85% of the system is completed, the procedure for ratio studies is the only part that has yet to be completed. He added that this system was ideal because it is being built according to what the State required rather than an attempt to modify an existing system that may not work well. He said Marion County has 20% of all the parcels in the state and if the system works here, it will work everywhere in the State.

Councillor Nytes asked if a contract would be signed before the DLGF certified the system. Mr. Ricketts stated that the contract would be signed but DLGF certification is a requirement before any payment will be made. Councillor Nytes asked if it would be possible to spend 12 months integrating a system and then not receive certification from DLGF. Mr. Ricketts stated that the only way the integration could take 12 months would be if the DLGF took 12 months to certify it. Councillor Nytes asked if it would be prudent to wait until the DLGF has certified some vendors systems before signing a contract. Mr. Ricketts said that he believed that development and certification has been a delicate balancing act and the Assessors have been working closely with the developer to create a system designed for Marion County needs within Indiana requirements. Councillor Nytes asked if the system existed yet. Mr. Ricketts stated that the system exists and has been in development for 18 months. Councillor Nytes asked if the system is currently being used anywhere. Mr. Ricketts stated that he believed that part of it is installed and being used in Boone County. Councillor Nytes stated that she is concerned about being a guinea pig for a system that is being developed as needed and would be more comfortable with using a system that has been tested and is working somewhere. Mr. Ricketts stated he appreciates the concern, but there are very few vendors and the other two were unwilling to adapt their canned packages for Marion County or state requirements. He stated that the system they currently use was created 10 years ago from scratch, which gave them the ability to be integrated. He added that because this system worked so well and met all the State's requirements until the last certification process, confidence in helping develop this system is high. He said he shares the concern about being a guinea pig, but considering the options, this is the best choice.

Mr. Clifford asked if the State has certified any systems. Mr. Ricketts answered in the negative. Mr. Clifford wanted confirmation that the State wasn't planning to certify any system before December. Mr. Ricketts stated that the State was planning to push back that timeframe.

Chair Sanders asked if there would be a review process, either by the Controller or the Council, prior to signing the contract. Mr. Ricketts stated that there has been a steering committee that included members from City purchasing and ISA involved every step of the way, but it is the goal to ensure that the system works. Chair Sanders asked if it is the goal of DLGF to have one system for the entire state. Mr. Ricketts stated that it would be easier for DLGF to have the same system across the state, but he does not believe they are going to restrict the counties to only one vendor, however the State Legislature could require a single vendor. Chair Sanders asked if DLGF had advised the Assessors to wait until they certify systems. Mr. Ricketts stated DLGF said to get a system to DLGF and we will certify it as soon as possible. He said that other places have been signing contracts before DLGF has certified anyone because the final standards did

not come out until July. He added that this was a situation in which everyone knew what the standards would be 6 months ago and was waiting for the final ruling, which happened to have no changes in source code.

Councillor Nytes stated that her apprehension stems from the failure of the system created for the Courts, which was supposed to work everywhere if it worked in Marion County. She said that she also sat on the committee that chose the election machines, which according to the vendor were meeting the specifications and had been tested and the problems with these machines are well known. Mr. Ricketts stated that he understands the skepticism, however, Marion County did not create the Court's system, it was created by the State. He said that this is one of the main reasons why the Assessors did not want to use a canned package, but instead be involved in the creation of it.

[Clerk's Note: Councillor Brown left 6:35 PM]

Councillor Nytes asked where the sales disclosure forms are kept. Mr. Ricketts stated that the County Auditor sends a copy to the local assessors to be entered into the trending database and a property record card is created, which the State picks up every month. Councillor Nytes asked if the Auditor's Office was supplying that information in a timely manner. Mr. Ricketts stated that staff members pick up the deeds from the Auditor's Office during various trips. He added that they are attempting to get these forms into an electronic database and hope to be finished in October.

Chair Sanders asked when the Council could expect hard figures from assessments. Mr. Ricketts stated that they have never reported hard figures in this County, it's always been an estimate. He said they are still working through appeals, personal property, inventory, and are now working on trending. He said they are about a month away from reporting the trending numbers. He said there weren't hard numbers for the 2003 budget when the Council was working on it in 2002. He stated that he responded to President Gray's letter and told him that we could submit 2005 values if necessary, but the numbers won't be available by Friday. He said he understands the concern about the loss of inventory and trending numbers. He stated that President Gray's letter said that the Assessors are required to submit the numbers, but he doesn't know the statute. He said they are essentially trying to do a mini-reassessment in six months because the rule did not come out until late spring. Chair Sanders stated that the majority of the rules came out in December 2004. Mr. Ricketts stated yes, but there was no way to know what the final rule on collecting and implementing the data would be until late spring and they did not want to waste time and manpower collecting data that may be wrong. Chair Sanders wanted clarification that they began the process in early 2005. Mr. Ricketts stated in the affirmative. He added that there are only 10 - 15 counties in the State that have submitted values, but he believes that each of those counties are smaller than any of the Townships in Marion County. Chair Sanders stated that there are about 20 counties that have submitted values to the State, to date. Mr. Ricketts stated that they are working very hard to complete the reassessment. Chair Sanders said there is currently a struggle to get a handle on AV and to get a reconciliation report on the general fund balance from the Auditor. She asked Mr. Ricketts if there was a connection between the two. Mr. Ricketts stated that he cannot comment on the general fund balance, but trending is

something new and if the State had finalized the rule for trending in 2005, the Council would have values by now. He said they are working as fast as they can and next year it should be easier and faster if the State doesn't change the rules. He added that he doesn't believe there has ever been a year when the values in August were the same as the final values in October. He stated that commercial properties can file for a 30 day extension and those don't get started until June. It takes the assessors a while to sift through them. He said in off years the numbers will come much sooner, until a reassessment year. He stated that he doesn't know what the total effect of the loss of inventory tax would be, but he believes some townships will see a loss in the total assessed value. Hopefully, that won't be true for the whole county. He said the losses have been predicted to be as high as 12%. Warren, Washington and Wayne Townships will probably be hit hardest, whereas Lawrence will probably only lose 2%.

Councillor Nytes stated that some Councillors believed there would be some trending data applied to offset some of the losses due to the elimination of the inventory tax and asked if the numbers that would be turned in would reflect any of the trending at all. Mr. Ricketts said that Lawrence Township will turn in some of those numbers, but other townships may not be able to because of large losses. Councillor Nytes asked if many of the townships could send in some reflection of trending. Mr. Ricketts said they are trying to figure out if the rise in real estate values is enough to offset the 12% loss of inventory or if it is only a portion. Some townships may see an increase in real estate and some may see a decrease. Councillor Nytes stated that she understands the process, but wanted to know about the timing of the figures. She stated that figures from inventory are known and it is possible to subtract that from the last data. She asked if the assessors have enough data from the trending to speculate about the amounts that can be expected. Mr. Ricketts said they cannot because the commercial property values will take a few more weeks to complete. Councillor Nytes stated that it would be difficult to pass budgets using 2005 figures when the inventory still has to be subtracted. Mr. Ricketts stated that he would confer with the other assessors to try to get an estimate. Councillor Nytes stated that the Council needed some information to make sound decisions. Mr. Ricketts stated the he and Mr. Clifford did try to estimate some of these figures by township. Mr. Ricketts said he would like to return with accurate figures once the reassessment is complete. Chair Sanders said the committee would appreciate it.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 6:52 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee